

# RIVTOW STRAITS LIMITED AND SUBSIDIARY COMPANIES

## CONSOLIDATED STATEMENT OF EARNINGS

Six Months ended June 30, 1973

(with comparative figures for 1972)

|  | 1973              | 1972              |
|--|-------------------|-------------------|
| Income before items shown separately . . . . .                                 | \$2,216,423       | \$ 901,633        |
| Proceeds received in excess of book values<br>on vessel dispositions . . . . . | 10,764            | 97,650            |
| Equity in net income of affiliated company . . . . .                           | 32,595            | 20,580            |
|  | <u>2,259,782</u>  | <u>1,019,863</u>  |
| Provision for depreciation and depletion . . . . .                             | 782,384           | 668,732           |
| Directors' fees and officers' salaries . . . . .                               | 65,679            | 75,264            |
| Interest on long-term debt . . . . .   | 439,152           | 422,369           |
|  | <u>1,287,215</u>  | <u>1,166,365</u>  |
| Income (loss) before income taxes and extraordinary items                      | 972,567           | (146,502)         |
| Deferred income taxes . . . . .  | 303,587           | —                 |
| Income (loss) before extraordinary items . . . . .                             | 668,980           | (146,502)         |
| Reduction of deferred income taxes . . . . .                                   | 76,200            | —                 |
| Adjustment of prior year's income . . . . .                                    | —                 | 136,550           |
| Net income (loss) for the period . . . . .                                     | <u>\$ 745,180</u> | <u>\$ (9,952)</u> |
| Earnings (loss) per share  |                   |                   |
| Income before extraordinary item . . . . .                                     | <u>\$ .33</u>     | <u>\$ (.07)</u>   |
| Net income (loss) for the period . . . . .                                     | <u>\$ .37</u>     | <u>\$ —</u>       |

## CONSOLIDATED STATEMENT OF SOURCE & APPLICATION OF FUNDS

Six Months Ended June 30, 1973

(with comparative figures for 1972)

|   | 1973               | 1972               |
|---|--------------------|--------------------|
| <b>Source of funds</b>  |                    |                    |
| Operations  |                    |                    |
| Net income (loss) before extraordinary item . . . . .   | \$ 668,980         | \$ (146,502)       |
| Items not involving current funds:  |                    |                    |
| Depreciation . . . . .  | 782,384            | 668,732            |
| Deferred income taxes . . . . .   | 303,587            | 30,155             |
| Equity in net income of affiliated company . . . . .  | (32,595)           | (20,580)           |
| Proceeds received in excess of book values<br>on vessel dispositions . . . . .  | (10,764)           | (127,805)          |
|   | <u>1,711,592</u>   | <u>404,000</u>     |
| Insurance proceeds . . . . .  | —                  | 563,400            |
| Proceeds from disposition of fixed assets . . . . .   | 81,004             | 346,925            |
| Working capital of acquired subsidiary<br>company in excess of funds used for acquisition . . . . .   | —                  | 107,261            |
|   | <u>1,792,596</u>   | <u>1,421,586</u>   |
| <b>Application of funds</b>   |                    |                    |
| Purchase of fixed assets . . . . .  | 361,039            | 1,040,143          |
| less related insurance proceeds . . . . .   | —                  | (900,000)          |
|   | <u>361,039</u>     | <u>140,143</u>     |
| Increase in investments and term receivables . . . . .  | 225,284            | 138,703            |
| Discounts on sale of maritime funds . . . . .   | 26,764             | —                  |
| Purchase of minority held shares of subsidiary . . . . .  | 126,541            | —                  |
| Long term debt paid or currently maturing . . . . .   | 595,899            | 863,168            |
| Acquisition of interest in subsidiary companies<br>less working capital and unpaid purchase<br>consideration at date of acquisition . . . . . | 210,457            | —                  |
|   | <u>1,545,984</u>   | <u>1,142,014</u>   |
| Increase in working capital . . . . .   | 246,612            | 279,572            |
| Working capital deficiency at beginning of period . . . . .   | 2,577,721          | 1,952,202          |
| Working capital deficiency at end of period . . . . .   | <u>\$2,331,109</u> | <u>\$1,672,630</u> |

Subject to audit



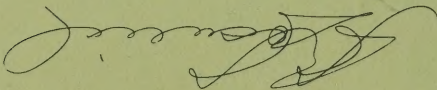
# RIVTOW STRAITS LIMITED

## RIVTOW STRAITS LIMITED

2215 Commissioner Street, Vancouver 6, B.C.

255-1133

C. S. Gosulich,  
President and Chief Executive Officer.



Exceptional weather, strong demand and an excellent performance by our staff, have combined to produce the improved results for the first half of 1973. Our forecasts indicate for the second half of this year will be profitable, but not to the level of earnings as reported for the initial six month period.

The long range outlook for the company (barring labour strife in our customers' industries) remains encouraging. We will participate in the transportation activity in connection with the Alaska pipeline construction through our partnership in Arctic Navigation & Transportation Ltd., and Lindberg Transport Ltd.; the latter has recently been granted an expanded licence to operate on the Mackenzie River and adjacent waters.

R.S.L. is also a joint owner of Tilbury Island Terminals Ltd., which company is now in operation and located in the main arm of the Fraser River. While both the Arctic and the Tilbury ventures are new, we anticipate both of these will produce significant revenues in the future.

TO R.S.L. SHAREHOLDERS

